

RISK MITIGATION – DISCONTINUATION of SERVICE or PRACTICE CLOSURE

When discontinuing operations, proactive risk reduction strategies are necessary to mitigate risks. Communication of service changes to all stakeholders and other measures to prepare for this change in health services within a community are recommended.

Business risk mitigation considerations

___ Follow *closing practice guidelines/policies* and requirements for *medical record retention*.

___ Follow state guidelines for transferring of *open Labor/employee injury claims*.

___ For *surgery centers* that are closing, be aware of the time frame that is required for post-operative global care. Do not schedule surgeries that will require post-operative global care beyond the actual physical closure.

___ For *providers continuing practice at another organization*, patient notification letters should be sent.

*The production of a *patient list* should be addressed in the practice agreement or other contract. If the agreement or contract is silent on the situation, conflict may result.

*If provider has a *new tax ID*, and their patients follow them, questions may arise regarding billing patients as *existing or new patients*.

___ Closures may result in *delay in diagnosis claims* unless continuing care is assured and documented.

___ Review closures and discontinuations to evaluate how these actions may align with, conflict with, or impact *mission, vision and value statements*.

___ *Notify patients and the public* – A letter to each patient, notice posted on websites, notices in hard print community venues, and emails with read receipt (if authorized).

___ *Signage* (internal and external) should be changed.

___ Review contractual obligations.

___ If preparing for possible *future merger and acquisition activity*, use an Enterprise Risk Management approach as a proactive measure. Conduct comprehensive merger due diligence and proactive preparation for any merger and challenges by FTC , DOJ, State.

*A traditional approach to evaluating opportunities typically begins with a return on investment analysis. This type of analysis focuses on a financial analysis but often omits analysis of other variables.

*Decision science provides the process and tools for *structured decision making* under uncertainty. It identifies the issues and value judgements underlying decisions to identify tradeoffs that

accompany an action or inaction; understanding the organizational risk appetite and risk tolerance is critical. If you are involved in a new course of action, a high value decision such as discontinuation of services, or a new business opportunity, it is recommended that you *discuss the situation with Underwriting, discuss it with your attorney and follow a disciplined and structured decision process.*

Clinical risk mitigation considerations

___ *Announce anticipated closures* well prior to the actual closure - this allows patients, the organization and the community to plan ahead for future care.

___ *Changes in services* need to be *communicated to local and state depts. of health* using established reporting forms and timelines. Communicate with *CMS and other payers* as required. Communicate to other *regulatory or accreditation bodies* as required.

___ *Partner with Emergency Medical Service (EMS) providers* in the community and region to plan for future care.

___ *Clinic closure* - Transfer care to another provider of the patient's choosing. List options for future care on the organizational website.

___ *Long-term care closure* - Collaborate with families and community partners to place current patients. Discontinue admissions as soon as the decision to close has been made in concert with regulatory agencies and community partners.

___ *Pediatric hospital or department closure* - Communicate to EMS, pediatricians, obstetricians, Urgent Care Centers, the community and Emergency Departments (ED). To prepare for pediatric patients seeking care in the (ED), establish transfer agreements and execute transfers with EMTALA rules in mind; document thoroughly.

___ *Change SIGNAGE* inside and outside buildings.

___ *Obstetrics Services Closure*

*Communicate to obstetricians/OB providers. Review medical staff agreements, if any, to prepare for termination.

*Communicate to all patients seen in OB and other clinics of this service closure.

*Prepare the ED to manage OB Emergencies. ED provider and staff training and DRILLS are recommended.

*Work with community and regional partners to establish transfer agreements. Appropriately transport/transfer mom and neonate(s) according to EMTALA regulations; document thoroughly.

*Consider OB telemedicine options to support ED providers if needed.